(c) whether it is a fact that exclusive paper coating units which are smaller in size are imposed with 20 per cent excise and bigger units with 15 per cent and 10 per cent:

(d) if so, what are the reasons therefor;

(#) whether it is a fact that input cost of exclusive paper coating units is higher by around 15 per cent and yet they pay much higher excise:

(f) whether it is a: fact that in such a situation exclusive paper coating units would not survive; and

(g) if so, what remedial steps Gov ernment propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Broadly, the paper coating industry can be divided into the independent paper coating units and paper mills having facilities for making coated paper in the same factory. There can be further categorisations depending on the type of coating, raw material used, quantum of clearances, etc.

(b) There are no definite limits of investment in plants. Generally, the investment to be made by exclusive paper coating units would be lower as compared to paper mills making both paper and coating the same.

(c) and d) Exclusive paper coating units and wood based integrated coating units, both attract 20 per cent excise duty. But exclusive paper coating units can avail lower duty of nil, 10 per cent or 15 per cent under the general SSI scheme. Unconventional raw material based integrated coating units attract 5 per cent, 10 per cent or 15 per cent excise duty depending, inter alia, on the percentage of unconventional raw material used and/or quantum of clearances, in a financial year. This differential excise duty structure is necessitated by the broader policy of encouraging use ' of unconvantional raw mate*H '»' in tile manufacture of paper and paperboards under the latter schemes.

(e) The input cost of any paper coating unit depends upon a number of factors including the excise duty on different inputs, other taxes, freight etc. These factors vary, inter alia, with the nature and sourcing of inputs, policies of State/Local Government, location of the units concerned, marketing pattern of input suppliers, etc. In view of these variable factors it is not possible to quantify the input cost differences between integrated coating units and exclusive coating units.

(f) and (g) Excise duty on coated paper is only one of the numerous factors involved in the survival of exclusive paper coated units. Further, the general SST scheme is available on coated paper. Modval credit of the full duty on inputs is also available. These benefits are considered adequate for the exclusive paper coating units.

Tax Faying Population

7519. SHRI CHIMANBHAI MEHTA:
SHRI ANANTRAY DEVSHANKFR DAVE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that tax paying population is one per cent in India;

(b) whether it is also a fact that in Nigeria tax paying population is ther per cent and in other developing count ries it is higher than India.

(c) whether it is a fact that in developed countries, the tax paying population is around 50 per cent; and

(d) what are the plans of Government to expand tax base?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The number of individual taxpayers in india is less than one per cent *at* the ' '-total population.

(b) and (c) The tax paying population in other developing countries is higher-than that of India. In Nigeria, it is-indicated as less than 10 per cent of the total population. In developed countries the tax paying population Varies from country to country but is substantially much higher than India and in some countries it is more than 50 per cent.

(d) In order to expand the tax base, * simple presumptive scheme of taxation for the taxpayers in the unorganised sector is under implementation for the past two years. A new estimated in come scheme has been introduced for contractors and truck owners, in the Finance Act of 1994. Procedures have been simplified for promoting voluntary compliance. A single sheet return of income has been introduced for taxpayers having taxable income not exceeding Rs. 1,20,000 from sources other than business or profession.

Euro Issue bonds

7520. SHRIMATI RENUKA CHOW-DhuRY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have imposed certain restrictions on Euro-issue bonds;

(b) if so, the reasons therefor and what are the implications thereof;

(c) whether it is a fact that Euro bonds were misused for financing activities other than specified by the companies for speculative and for higher interest investment* or debt clearance;

(d) whether such activities contributed to inflation;

(e) what is foreign exchange earning through issues so far and expected income in the current year; and

(f) whether it is a fact that Euro Issue bonds earnings are cheaper compared to high interest rates in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes Sir, on a review ©f the working *not* the scheme for, issue of r«s»ita Carrey G*v*t$*» Bead* (FCCBs) and Ordinary shares through Global Depository Reecipts (GDRs) Mechanism, Government have issued further guidelines on 11.5.94 for Euro issue to be made by Indian companies. Revised guidelines have been framed taking into consideration factors govern* ing macro economic management.

(e) and (d) While no instance *at* misuse of Euro issue funds for specula tive investments by Companies have been bronght to the specific notice of the Government, prepayment of high cost foreign currency loans by Indian companies are one of the end uses per missible under the fresh guidelines for Euro issues. This would help the com panies to restructure their finances and in itself would not contribute to infla tion.

e) Upto 31st March 1994 Indian companies raised in aggregate an amount of about US S 275 Million through issur of FCCs/GDRs. It is expected that the foreign investors would continue to evince good interest in investing in India in the current financial year also.

(f) With the relative stability of the external value of the Indian Rupee, Euro issues would help Indian companies to raise resources at a lesser cost.

Recommendation of Kaldate Panel est customers services in Banks

7521. SHRI SURESH PACHOURI Will the Minister of FINANCE be pleased to state:

(a) whether public sector banks will have to modernise their services and improve customer services to face the stiff competition from foreign banks in toe matter of customer services;

(b) whether the Kaldate Panel bad observed in 1991 that implementation of thai recommendations of customer services in banks had been tardy and have failed to provide quick and efficient services to their customers;

(«) if so, what were the rceammada that of the Kardom part and by when